

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1316

Introduced by Stuhr, 24; D. Pederson, 42; Schrock, 38

Read first time January 19, 2000

Committee: Revenue

A BILL

1 FOR AN ACT relating to ethanol; to amend section 66-1330, Reissue
2 Revised Statutes of Nebraska; to provide a tax refund for
3 sales of ethanol-blended motor fuel; to impose a tax on
4 ethanol production; to create a fund; to harmonize
5 provisions; to provide a duty for the Revisor of
6 Statutes; and to repeal the original section.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Beginning in 2001, a retailer who meets the
2 requirements of this section shall be entitled to a partial refund
3 of fuel taxes paid under section 66-489 as provided in this
4 section. The refund is two cents per gallon of motor vehicle fuel
5 with an alcohol blend as defined in section 66-482 sold, as limited
6 in this section and section 4 of this act. The retailer shall be
7 eligible for the refund if his or her average yearly sales of motor
8 vehicle fuel with an alcohol blend as reported on the return are at
9 least fifteen percent of his or her total sales of motor vehicle
10 fuel reported for sales in calendar year 2001, at least thirty
11 percent of his or her total sales of motor vehicle fuel reported
12 for sales in calendar year 2002, and at least fifty percent of his
13 or her total sales of motor vehicle fuel reported for sales in
14 calendar years 2003 and 2004. Eligibility for the refund shall be
15 determined separately for each location operated by the retailer.
16 The refund shall be calculated on not more than fifteen percent of
17 the retailer's total sales of motor vehicle fuel reported in
18 calendar year 2001, thirty percent of total sales reported in
19 calendar year 2002, and fifty percent of total sales reported in
20 calendar years 2003 and 2004. The retailer may file an annual
21 claim with the department for the refund. The application must be
22 received by June 1 of the year following the year the refund is
23 being requested for.

24 Sec. 2. Section 66-1330, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 66-1330. Sections 66-1330 to 66-1348 and sections 3 and
27 4 of this act shall be known and may be cited as the Ethanol
28 Development Act.

1 Sec. 3. (1) Each producer of ethanol in this state shall
2 pay an excise tax of one cent per gallon of ethanol produced,
3 before denaturing. The tax shall be collected for ethanol
4 production occurring on and after January 1, 2001, through December
5 31, 2004. The Department of Revenue shall collect the tax.

6 (2) On each April 30, July 31, October 31, and January
7 31, each producer of ethanol shall submit to the department a
8 report of its total ethanol production within the state during the
9 previous calendar quarter. All taxes shall be due on the date of
10 reporting and shall be delinquent if not paid with the report.
11 Delinquent quarterly payments shall draw interest at the rate
12 provided for in section 45-104.02, as such rate may from time to
13 time be adjusted. The provisions of Chapter 66, article 7, apply
14 to the tax.

15 (3) The department shall remit the tax collected to the
16 State Treasurer for credit to the Ethanol Sales Incentive Cash Fund
17 within sixty days after the end of each quarter.

18 Sec. 4. (1) The Ethanol Sales Incentive Cash Fund is
19 created. The fund shall be used to reimburse the refunds provided
20 in section 1 of this act and for administrative costs of the
21 Department of Revenue related to the refunds and the tax under
22 section 3 of this act. Any money in the fund available for
23 investment shall be invested by the state investment officer
24 pursuant to the Nebraska Capital Expansion Act and the Nebraska
25 State Funds Investment Act.

26 (2) By October 1, the department shall notify the State
27 Treasurer of the amount of refunds claimed under section 1 of this
28 act for the preceding calendar year. The State Treasurer shall

1 transfer from the Ethanol Sales Incentive Cash Fund to the Highway
2 Trust Fund such amount. If the amount of money in the Ethanol
3 Sales Incentive Cash Fund is not sufficient to pay all the refunds
4 claimed, each applicant shall receive a proportionate share of the
5 amount in the fund as the refund equal to the portion derived by
6 dividing the amount in the fund by the aggregate number of gallons
7 eligible for the refund for all applicants.

8 (3) It is the intent of the Legislature that the
9 following General Fund amounts be appropriated to the Ethanol Sales
10 Incentive Cash Fund in each of the following years:

11 (a) For fiscal year 2000-01, \$1,000,000;

12 (b) For fiscal year 2001-02, \$2,000,000; and

13 (c) For each of fiscal years 2002-03 and 2003-04,
14 \$3,000,000.

15 Sec. 5. The Revisor of Statutes shall assign section 1
16 of this act within sections 66-482 to 66-4,149.

17 Sec. 6. Original section 66-1330, Reissue Revised
18 Statutes of Nebraska, is repealed.